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# Draft report of the Trade and Development Board on its sixty-first session

**Held at the Palais des Nations, Geneva, from 15 to 26 September 2014**

**Addendum**

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# President's summary

## High-level segment: Tackling inequality through trade and development: A post-2015 challenge

(Agenda item 3)

1. The panel was composed of the Minister for Trade and Industry of South Africa; a professor of development economics from the University of Florence, Italy; and the Special Adviser to the Deputy Director-General for Policy at the International Labour Office.

2. Discussing new developments in the world economy, two of the panellists and several delegates explored how those developments reflected a history of rising inequality that was counterproductive to economic growth and social cohesion. Globalization, which had clearly reduced poverty, had not promoted production and inclusive and participatory trade across the board.

3. Several delegates said that the *Trade and Development Report, 2014* spoke to urgent concerns about unemployment and inequality and put forward key policies to promote balanced and inclusive growth. There was a need to overcome the current division of international labour in which affluent countries provided capital goods and smaller, dependent nations continued to provide predominantly basic goods.

4. With regard to policy sequencing, one panellist and several delegates agreed that the absence of trade often had less to do with tariff rates than the mere ability to produce and trade. Priority should be given to new industries and infrastructure for the sake of intraregional trade, particularly in Africa.

5. Several delegations, including one regional group, said that domestic sources of investment flows were more effective in promoting sustainable development than foreign flows, which sought short-term returns. The discussion focused on how domestic policies could generate internal sources of savings. Encouraging harmony between foreign investment flows and domestic investment priorities could be accomplished with the aid of partnerships and matching funds.

6. Some delegations, including one regional group, noted that while domestic policies for promoting reduced inequality and equitable growth were essential, such policies could only have limited effectiveness in the absence of similar goals and policies at the international level, where policy space was being curtailed in multilateral and bilateral agreements.